

Translation of Japanese Original

February 28, 2017

To All Concerned Parties

REIT Issuer:
Kenedix Office Investment Corporation
Naokatsu Uchida, Executive Director
(Securities Code: 8972)

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Ryosuke Homma, CEO and President

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**Notice Concerning the Change of Priority Rights of Consideration
in the Asset Management Company**

Kenedix Office Investment Corporation (“the Investment Corporation”) has announced that Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”), the asset management company for the Investment Corporation, resolved to change the priority rights of consideration in the Asset Management Company (“the Change”) at its Board of Directors held today. The Change will take effect upon approval of the changes to the Articles of Incorporation for Kenedix Residential Investment Corporation at the Fourth General Meeting of Unitholders to be held on March 28, 2017 (“the General Meeting of Unitholders”). Details are as follows. Furthermore, the Change is intended to apply to Private REIT Division, Residential REIT Division and Private Fund Division only and there is no impact on the management structure, etc. of Office REIT Division and Retail REIT Division.

Change of Priority Rights of Consideration in the Asset Management Company

The Asset Management Company has been entrusted with the asset management of the Investment Corporation, Kenedix Residential Investment Corporation, Kenedix Retail REIT Corporation, Kenedix Private Investment Corporation and real estate funds, etc. other than investment corporations. The Asset Management Company has prescribed the rule on priority rights of consideration of the real estate sale information obtained by the Asset Management Company, which is for coordinating conflicts in acquisition opportunities among the investment corporations and real estate funds, etc. The order of priority rights of consideration regarding Hotels (Note) will be amended as follows. The Change will take effect upon the approval of the changes to the Articles of Incorporation for Kenedix Residential Investment Corporation at the General Meeting of Unitholders.

Note: “Hotels” defined in the priority rights of consideration in the Asset Management Company refer to real estates that provide accommodation facilities where the largest amount of floor space of the building(s) composing the real estate is for hotel use as categorized under the Building Standards Act, are located in an area with high customer appeal and primarily have western-style structure and facilities, or assets with such underlying real estates.

Priority rights of consideration pertaining to hotels (after the change) (The underlines indicate the changes)

Total Floor Area per Building (m ²)	Primary	<u>2nd</u>	<u>3rd</u>
All	Private REIT Division	<u>Residential REIT Division</u>	Private Fund Division

Reporting and notifications with regard to these matters will be conducted in accordance with the Financial Instruments and Exchange Act, the Real Estate Transaction Business Law, and other applicable laws and regulations.

The Investment Corporation’s website: <http://www.kdo-reit.com/en/>

This notice is the English translation of the Japanese announcement on our website released on February 28, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.